REMARKS

1. Claims 1 and 3-16 are currently pending. This communication amends claims 1, 3, 6, 7, 8, 9, 10, 11 and 14, and adds claims 17 and 18.

Reconsideration of this application is respectfully requested.

2. Claims 1 and 3-16 stand finally rejected under 35 USC §103(a) as being unpatentable over Warren E. Agin, Using the Internet Auctions to Sell Bankruptcy Estate Assets, The Cyberspace Lawyer, Vol. 4, No. 6, October 1999 (Agin) in view of U.S. Patent 6,415,270 to Rackson, et al. (Rackson) and further in view of Robert F. Reilly, What Accountants Need to Know About the Bankruptcy Valuation Process, Ohio CPA Journal, Vol. 51, No. 3, June 1992, pp. 13-20 (Reilly). This rejection is respectfully traversed.

Claim 1 is representative of the claims at issue in this rejection and currently recites:

> A computer method of auctioning at least one claim or asset in bankruptcy over a communication network, said method comprising the steps of:
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> indicating the availability of said at least one claim or asset at a remote site on said network;
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> notifying buyers who have exhibited a potential interest in items contained within said at least one claim or asset of the availability of said at least one claim or asset;
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> determining a market value of said at least one claim or asset using historical data of same or similar claims or assets;
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> dynamically adjusting said market value based on known factors;
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> registering ones of said buyers who have expressed an interest in bidding on said at least one claim or asset;
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> obtaining bids from said registered buyers over said network; and
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> accepting a highest one of said bids if said highest one of said bids satisfies a predetermined criteria and notifying said registered buyer from which said highest one of said bids was obtained of the acceptance thereof; or
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> rejecting said bids if said bids do not satisfy said predetermined criteria.

The arguments set forth in Applicants' previous response filed on August 24, 2004 with respect to Agin, Reilly and Rackson are incorporated herein by reference. In addition, it is respectfully submitted that Agin in view of Rackson and further in view of Reilly do not teach or suggest all the limitations of claim 1 (and claims 3-16). In addition, there is no motivation for combining the teachings of Agin, Reilly and Rackson in the manner proposed by the Examiner.

The Examiner continues to assert that Agin discloses the claimed method and system including the claimed memory, indication placing step, the potential buyer notifying step, the bid receiving step, the bid acceptance notifying step, the accepted bid recording step and processor.

Further, Agin does not provide an enabling disclosure for any type of auctioning method or system, let alone the presently claimed method and system. The disclosure in an asserted reference must provide an enabling disclosure of the desired subject matter. Merely naming or description of the subject matter is insufficient, if it cannot be produced without undue experimentation. See *Elan Pharm., Inc. v. Mayo Foundation for Medical and Education Research*, 346 F.3d 1051, 1054, 68 USPQ2d 1373, 1376 (Fed. Cir. 2003). Agin merely describes certain entities that have conducted internet auctions to sell bankruptcy estate assets.

In addition, it is noted that the Examiner relies upon the implicit and inherent disclosures of Agin for teaching the system of claim 14 including the memory and processor. It is well settled in the law that inherency must be established by evidence or rationale that shows that the missing descriptive matter is necessarily present in the subject described in the reference, and that it would be so recognized by persons of ordinary skill. See, *In re Rijckaert*, 9 F.3d 1531, 1534, 28 USPQ2d 1955, 1957 (Fed. Cir. 1993) and *In re Oelrich*, 666 F.2d 578, 581-82, 212 USPQ 323, 326 (CCPA 1981). "In relying upon the theory of inherency, the examiner must provide a basis in fact and/or technical reasoning to reasonably support the determination that the allegedly inherent characteristic necessarily flows from the teachings of the applied prior art." *Ex parte Levy*, 17 USPQ2d 1461, 1464 (Bd. Pat. App.& Inter. 1990). It is respectfully submitted that the there is no recognizable evidence, basis in fact and/or rationale that the system of claim 14, including the memory and processor, necessarily flows from Agin.

Moving on, the Examiner admits that Agin does not disclose the market value determining and dynamically adjusting steps of claim 1 (and claims 3-16). The market value

determining step currently requires using historical data of same or similar claims or assets to determine a market value of the at least one claim or asset. The market value dynamically adjusting step currently requires dynamically adjusting the market value based on known factors.

Since Agin, among its other deficiencies, does not teach or suggest the claimed market value determining and dynamically adjusting steps, the Examiner looks to Reilly for these steps. Reilly, however, does not disclose, teach or suggest any method of auctioning at least one claim or asset in bankruptcy that includes the steps of determining the market value of a claim or asset using historical data of same or similar claims or assets and dynamically adjusting market value based on known factors, as currently required in the claims. Reilly does not provide an enabling disclosure for any type of auctioning method or system that determines the market value of a claim or asset using historical data of same or similar claims or assets and dynamically adjusts the market value based on known factors. Reilly merely describes a number of factors that appraisal clients and their accountants should consider as part of the bankruptcy and reorganization valuation process.

In further regard to Agin in view of Reilly, there is no suggestion or motivation in these references for combining them as proposed by the Examiner. Specifically, the third paragraph of Agin teaches that "[a]uctions work best where the buyers and sellers are uncertain of the fair price for the commodity being sold." Thus, Agin teaches away from any type of method or system which uses a market value determining and dynamically adjusting process as required in the claims. Moreover, Reilly does not mention anything about internet auctions.

Furthermore, the Examiner simply picks and chooses among the individual elements of Agin and Reilly in an attempt to recreate the claimed invention. Such hindsight re-creations are improper. See *Smithkline Diagnostics, Inc., v. Helena Labs Corp.*, 859 F. 2d 878, 887, 8 USPQ2d 1468, 1475 (Fed. Cir. 1988). There must be some teaching or suggestion in the references to support their use in the particular claimed combination. *Id.* It is improper to "piece the invention together using an Applicant's invention as a template." See *Texas Instruments, Inc. v. ITC*, 26 USPQ2d 1018, 1029 (Fed. Cir. 1993).

The Examiner also admits that Agin does not disclose the steps associated with receiving bids from buyers over a network, notifying the buyer of acceptance of their bid when the bid satisfies predetermined criteria, as required by claim 1. In addition , the Examiner admits that Agin does not disclose the claimed steps associated with recording the accepted bid, notifying

the seller, selecting notification criteria of the buyer, etc. as discussed on page 6 of the Office Action. Because Agin and Agin in view of Reilly, do not disclose these steps, the Examiner looks to Rackson.

Rackson, however, does not cure the deficiencies of Agin or Agin in view of Reilly. Rackson discloses a multi-auction service system and method for replicating an item to be auctioned at a plurality of remote auction services. The multi-auction service system detects bids at the plurality of remote auction services for the item in order to replicate the optimal bid at each of the remote auction services such that the optimal bid is afforded to a bidder or seller. Rackson does not disclose, teach or suggest the market value determining and dynamically adjusting steps of claim 1 (and claims 3-16), which are not found in Agin in view of Reilly. Furthermore, Rackson does not disclose, teach or suggest a method or system of auctioning at least one claim or asset in bankruptcy wherein the buyer is notified of the acceptance of the buyers's bid when the buyer's bid satisfies a predetermined criteria, as also required in claim 1 (and claims 3-16).

In view of the foregoing, claim 1 is patentable over Agin in view of Rackson and further in view of Reilly. Claims 3-16 are also patentable over Agin in view of Rackson and further in view of Reilly for at least the same reasons as set forth with respect to claim 1. Accordingly, withdrawal of this rejection is respectfully urged.

3. New dependent claims 17 and 18 recite features originally recited in independent claim 1.

4. Favorable reconsideration of this application is respectfully requested as it is believed that all outstanding issues have been addressed herein and, further, that claims 1 and 3-16 are in condition for allowance, early notification of which is earnestly solicited. Should there be any questions or matters whose resolution may be advanced by a telephone call, the examiner is cordially invited to contact applicants' undersigned attorney at his number listed below.

5. The Commissioner is hereby authorized to charge payment of any additional filing fees required under 37 CFR 1.16 and any patent application processing fees under 37 CFR 1.17,

which are associated with this communication, or credit any overpayment to Deposit Account No. 50-2061.

Respectfully submitted,

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